

HOUSE OF REPRESENTATIVES
Roll Call
FEDERAL RELATIONS, ENERGY, AND TELECOMMUNICATIONS
COMMITTEE

DATE: 2-14-07

<u>NAME</u>	<u>PRESENT</u>	<u>ABSENT/ EXCUSED</u>
REP. ALAN OLSON, CHAIR	✓	
REP. HARRY KLOCK, VICE CHAIR	✓	
REP. GEORGE GROESBECK, VICE CHAIR	✓	
REP. SCOTT BOGGIO	✓	
REP. ROBYN DRISCOLL	✓	
REP. DAVE GALLIK	✓	
REP. DENNIS HIMMELBERGER	✓	
REP. LLEW JONES	✓	
REP. DIANE RICE	✓	
REP. WAYNE STAHL	✓	
REP. BILL THOMAS	✓	
REP. JONATHAN WINDY BOY	✓	



HOUSE STANDING COMMITTEE REPORT

February 15, 2007

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Mr. Speaker:

We, your committee on **Federal Relations, Energy, and Telecommunications** recommend that **House Bill 330** (first reading copy -- white) **do pass as amended.**

Signed: _____

Representative Alan Olson, Chair

And, that such amendments read:

1. Title, line 10.

Following: "BONDS;"

Insert: "PROVIDING THAT CERTAIN REQUIREMENTS BE MET PRIOR TO PROJECT FINANCING; CLARIFYING THAT THE PROVISIONS OF THIS ACT DO NOT AUTHORIZE A LOCAL GOVERNING BODY TO CONSTRUCT, OWN, OR OPERATE POWERLINES; REQUIRING THE OFFICE OF THE GOVERNOR TO STUDY WIND ENERGY INTEGRATION AND TO PROVIDE MARKETING ASSISTANCE; PROVIDING AN APPROPRIATION;"

Strike: "AN IMMEDIATE"

Strike: "DATE"

Insert: "DATES"

2. Page 2, line 11.

Strike: "17"

Insert: "21"

3. Page 2, line 15.

Strike: "17"

Insert: "21"

4. Page 2.

Following: line 15

Insert: "(1) "Ancillary services" has the meaning provided in 69-8-1003."

Renumber: subsequent subsections

5. Page 2, line 18.

Strike: "17"

Committee Vote:

Yes 9, No 3

Fiscal Note Required ☒

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Insert: "21"

6. Page 2.

Following: line 22

Insert: (6) "Intermittent generation resource" means a generator that operates on a limited and irregular basis due to the inconsistent nature of its fuel supply, which is primarily wind or solar power."

Renumber: subsequent subsections

7. Page 3, line 8 through line 9.

Strike: "for" on line 8 through "body" on line 9

Insert: "sell the production to:

(a) a party allowed to choose an electricity supplier under 69-8-201;

(b) a public utility or cooperative under voluntary contracts that are not governed by Title 69, chapter 3, part 6;

(c) a competitive electricity supplier; or

(d) an out-of-state consumer"

8. Page 3, line 14 through line 17.

Strike: subsection (6) in its entirety

Renumber: subsequent subsection

9. Page 4, line 4.

Strike: "A"

Insert: "Except as provided in [section 17], a"

10. Page 6, line 18.

Strike: "17"

Insert: "21"

11. Page 6, line 24.

Strike: "17"

Insert: "21"

12. Page 7, line 4.

Strike: "17"

Insert: "21"

13. Page 7, line 5.

Strike: "17"

Insert: "21"

14. Page 7, line 28.

Strike: "17"

Insert: "21"

15. Page 8, line 3.

Strike: "17"

Insert: "21"

16. Page 8, line 10.

Strike: "17"

Insert: "21"

17. Page 8, line 20.

Strike: "17"

Insert: "21"

18. Page 8, line 22.

Strike: "17"

Insert: "21"

19. Page 8, line 28.

Strike: "17"

Insert: "21"

20. Page 8, line 30.

Insert: "NEW SECTION. Section 17. Requirements prior to project financing. Prior to selling bonds or undertaking any other form of financing under [sections 1 through 21], the governmental body shall enter into a contract or contracts:

(1) with a transmission services provider to interconnect with the transmission or distribution facilities of a utility or cooperative;

(2) that ensure that all ancillary services are available to regulate the generation of electricity from the project as required by the control area operator; and

(3) for the sale of electricity from the project."

Insert: "NEW SECTION. Section 18. Prohibition on construction, ownership, and operation of powerlines. [Sections 1 through 21] do not authorize a governmental body to:

(1) construct, own, or operate electricity distribution or transmission facilities; or

(2) use the proceeds from bonds under [sections 1 through 21] to construct, own, or operate electricity distribution or transmission facilities."

Insert: "NEW SECTION. Section 19. Wind integration study. Before March 30, 2008, the office of the governor shall:

(1) study wind energy integration in Montana to determine the ancillary services expected to be needed by control areas integrating wind energy in Montana, including the impact of location diversity on the need for ancillary services; and

(2) present the findings of the study to the energy and telecommunications interim committee."

Insert: "NEW SECTION. Section 20. Marketing assistance. (1) The office of the governor shall contract with a qualified consultant to provide electricity marketing assistance to

governmental bodies developing projects under [sections 1 through 21]. The preferred market for excess electricity from the projects developed pursuant to [sections 1 through 21] is outside Montana.

(2) The consultant that is hired under subsection (1):

(a) must have thorough knowledge of the electricity markets in the western United States;

(b) must be familiar with transmission reservation and scheduling processes related to a transmission services provider's obligation under federal energy regulatory commission rules;

(c) must be well-versed regarding the effects of intermittent generation resources on the transmission grid; and

(d) may not be involved in any existing or proposed energy development projects in the state that could affect the consultant's impartiality or have other potential conflicts of interest that could affect the consultant's ability to provide nondiscriminatory electricity marketing assistance services."

Renumber: subsequent sections

21. Page 9, line 1.

Strike: "17"

Insert: "21"

22. Page 9, line 3.

Strike: "17"

Insert: "21"

23. Page 9, line 4.

Strike: "17"

Insert: "21"

24. Page 9, line 5.

Insert: "NEW SECTION. Section 22. Appropriation. There is appropriated \$300,000 from the general fund to the office of the governor for the biennium beginning July 1, 2007, to conduct the wind energy integration study pursuant to [section 19] and to provide electricity marketing assistance pursuant to [section 20]. A total of \$150,000 may be used for conducting the wind energy integration study and a total of \$150,000 may be used to provide electricity marketing assistance."

Renumber: subsequent sections

25. Page 9, line 6.

Strike: "17"

Insert: "21"

26. Page 9, line 8.

Strike: "17"

Insert: "21"

27. Page 9, line 10.

Strike: section 19 in its entirety

Insert: "NEW SECTION. Section 24. Effective dates. (1)

[Sections 1 through 18, 21, 23, and this section] are effective on passage and approval.

(2) [Sections 19, 20, and 22] are effective July 1, 2007."

- END -



HOUSE STANDING COMMITTEE REPORT

February 15, 2007

Page 1 of 1

Mr. Speaker:

We, your committee on **Federal Relations, Energy, and Telecommunications** recommend that **House Bill 427** (first reading copy -- white) do pass as amended.

Signed: _____

Alan Olson
Representative Alan Olson, Chair

And, that such amendments read:

1. Title, line 9 through line 10.

Strike: "INCREASING" on line 9 through "REQUIREMENT;" on line 10

2. Page 3, line 18.

Strike: "1.2%"

Insert: "0.42%"

- END -

Committee Vote:

Yes 12, No 0

Fiscal Note Required _____

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Montana House of Representatives Visitors' Register

**FEDERAL RELATIONS, ENERGY,
AND TELECOMMUNICATIONS COMMITTEE**

Date 2/14/07

Bill Nos. 434 Sponsor(s) Wiseman

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Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.